

COMMUNITY AFFAIRS COMMITTEE

DATE: August 31, 2006

CALLED TO ORDER: 5:12 p.m.

ADJOURNED: 7:13 p.m.

ATTENDANCE

ATTENDING MEMBERS

Greg Bowes, Chair

Patrice Abdullah

Ginny Cain

Joanne Sanders

ABSENT

Paul Bateman

James Bradford

Susie Day

AGENDA

BUDGET HEARING

Regional Mental Health Centers

Marion County Office of Family and Children

Community Affairs Committee

The Community Affairs Committee of the City-County Council met on Thursday, August 31, 2006. Chair Greg Bowes called the meeting to order at 5:12 p.m. with the following members present: Patrice Abdullah, Ginny Cain, and Joanne Sanders. Absent were Paul Bateman and Susie Day. Also present was Bart Brown, Chief Financial Officer, representing staff.

BUDGET HEARING

Regional Mental Health Centers

Robert Dunbar, Executive Director of Adult & Child Center, stated that the Center is a State certified non-profit community mental health center accredited by the Joint Commission on Accreditation of Healthcare Organizations. Adult & Child provides comprehensive and affordable services for children, adolescents, adults and seniors. He went on to explain that the professional staff consists of psychiatrists, psychologists, social workers, nurses, addiction specialists and case managers who work as a team or individually. Mr. Dunbar stated that Adult and Child is one of 20 centers selected as a research site from the Social Security Administration.

Mr. Dunbar stated that last year, Adult and Child served a record number of clients and services. There was a 68% increase in the maturity care that totaled about \$837,000. He also said that within the last year, Adult and Child has initiated a community treatment team that offers 24 hour a day, 7 day a week programs that target the homeless who are mentally ill.

Councillor Sanders asked if, in the handout provided, the \$7.4 million line item shown under operating income for Office of Family and Children is in addition to third party patient fees. Mr. Dunbar stated those dollars received are from Marion County and other counties that Adult and Child serve, and that a portion of those dollars are from Marion County Department of Child Services (DCS). Councillor Sanders asked if there are funds paid to Adult and Child under patient fees as a third party payment from DCS in addition to the line item from Family and Children for operating income. Mr. Dunbar stated that it is not from DCS. In some cases, there is a discount of what is charged to DCS because Adult and Child is a Medicaid eligible provider, so some of the services Adult and Child provide, almost all of the children are Medicaid eligible. He said that Adult and Child is able to bill Medicaid for some of the services. He also said that there are other services Medicaid does not cover, and DCS pays. Councillor Sanders asked if DCS is paying Adult and Child to support a child for services that are Medicaid eligible, and if Adult and Child bill Medicaid and DCS simultaneously. She also asked if they charge DCS the full rate. Mr. Dunbar stated that they bill Medicaid, and it depends on the contract for the changes to DCS. Councillor Sanders asked that if Adult and Child bills Medicaid, if they turn around and pay back DCS any excess dollars. Mr. Dunbar answered no.

Councillor Sanders asked if the \$4.1 million in the line item shown under operating expense, Foster Parent Expenses, represents other counties in addition to Marion County. Mr. Dunbar answered in the affirmative.

Councillor Abdullah asked what funding amount was received from Family and Children Services. Mr. Dunbar stated that he does not have those numbers and will provide them at a later date. Councillor Abdullah asked if Mr. Dunbar could walk through the process of getting the contract to receive DCS dollars. Mr. Dunbar stated that there is a bidding process. A request for proposal (RFP) has to be submitted and then it is up to Marion County and the other different counties to say whether they want to invest in the organization. Councillor Abdullah asked if there is an allotted capped sum for the \$7.4 million. Mr. Dunbar answered in the affirmative.

Midtown Community Mental Health Center (CMHC)

Margie Payne, Chief Executive Officer, stated that Midtown is a division of Wishard Health Services. She stated that Midtown has been in operation since 1969. Licensed by the State of Indiana, Midtown also serves as the department of psychiatry for Wishard Hospital. Ms. Payne gave the following information on some of the services Midtown provides:

- Serves more than 16,000 different people each year
- All age ranges – children, youths, adults and seniors
- Persons with severe mental illness
- Person with chronic addiction
- Persons with family and relationship problems

Ms. Payne stated that Midtown is operating a homeless program which houses 30 individuals and provides treatment for them. She stated that there is a program for expectant mothers who are addicted to drugs to help them kick their habit and have a safe and healthy birth. Ms. Payne stated that Midtown also provides services at the juvenile center.

Chair Bowes asked if there is an increase in the use of substances that might contribute to the increase in crime. Ms. Payne answered in the affirmative. Chair Bowes asked if there is an upward trend in the percentage of people who are suffering from addictions. Mr. Dunbar stated that there is, and about 80% of individuals that are in correctional facilities are addicts, and it seems to be a growing problem. He said unfortunately the vast majority of the correctional facilities do not have the resources to address these problems.

Councillor Abdullah asked if Midtown contracts outside for grant support within the budget year. Ms. Payne answered in the affirmative stating that Midtown receives federal grants for the homeless and HIV programs, as well as for the primary care sites. Councillor Abdullah asked if Midtown receives grants from DCS and what is the total from that agency. Ms. Payne stated that Midtown does contract with DCS, and that she does not have those numbers at this time but will provide at a later date.

Councillor Sanders asked if the services Midtown provides at the juvenile center are Medicaid reimbursable. Ms. Payne answered in the negative stating that while an

individual is at the center, cost cannot be reimbursed. Councillor Sanders asked if the same was true for a juvenile being treated who is not at the center. Ms. Payne answered that it would then be reimbursable.

Mr. Brown asked whether the \$4.1 million under Sources, County Funding in the handout is the amount Midtown receives through Health and Hospital subsidy or if it comes from DCS. Ms. Payne stated that amount is through Wishard. Mr. Brown asked if that is an operating shortfall that Wishard has to make up. Ms. Payne answered in the affirmative.

Gallahue Mental Health Center

Eric Crouse, Director, Gallahue Mental Health Center stated that Gallahue is, like Midtown, one of four community-based mental health centers in Indianapolis. He stated that Gallahue is a division of Community Health Network. Mr. Crouse stated that all of the different services that Gallahue provides are listed in the handout. He said that Gallahue is the main provider of in-patient psychiatric services in the Metropolitan Indianapolis area, and on any given day, the center has about 95 in-patients at Community Hospital North. He stated that number has increased dramatically over the last couple of years. Mr. Crouse stated that Gallahue has been absorbing a lot of the business, because a number of other hospital systems have backed off psychiatric services.

Mr. Crouse explained that Gallahue is expecting to increase bed capacity. In the past year there were 115 beds and the hope is to increase that capacity to 125. He said that there continues to be a tight supply of beds within the Indianapolis area, and in addition to that, Gallahue is experiencing increased pressure by having to care for more people who are indigent. Mr. Crouse stated that over the last several years, Gallahue has provided services in the different school systems. He said that the center is involved with more than 50 schools, and a large percentage of those belong in Indianapolis Public Schools (IPS). Mr. Crouse also stated that Gallahue is working with the juvenile center by providing in-house services to the juveniles. Mr. Crouse also stated that Indiana is moving toward managed Medicaid in January 2007.

Councillor Abdullah commended the health centers for taking the initiative for going into the schools. He thinks that preventive assistance is the key to offset the possibility of children going into juvenile detention and cutting down on the recidivism rate of those children. Councillor Abdullah asked Mr. Crouse, Ms. Payne and Mr. Dunbar if they will see an increase in the population of the people and youth that they serve. Mr. Crouse said the centers struggle a lot with that issue as the school based services may be pushed to cut services. Ms. Payne stated said that will impact the community tremendously. Mr. Dunbar stated that one of the issues that the centers struggle with is the resource demand. That demand is incredible and the State funding has dropped by a quarter of a million dollars. Councillor Sanders stated that when there is talk about managed Medicaid, however, this is a problem with an environment where poverty and homelessness are on the rise, and the argument to cut Medicaid services is that we

are in a robust economy and are growing jobs. She said that it is hard to argue that and show those numbers if you have increased Medicaid costs. Councillor Sanders stated that her concern is how much is really being driven by certain elements who want to paint the picture about how the economy is overall versus what the reality is to most people's lives.

Councillor Abdullah asked if there was room for more agencies to come aboard to provide more services, since there is talk of cutting back on some services. Mr. Crouse stated that there may not be enough funds to cover new agencies.

Chair Bowes asked for the funding amount of the proposal to be voted. Robert Clifford, Director, Office of Finance and Management (OFM) stated that the budget for the mental health centers resides in the Auditor's budget in account subcharacter 380 under subsidies, and that amount for 2007 is \$4,188,096. Mr. Clifford said that while the State is cutting back on their funding, the State requires the City to increase the funding by the maximum allowable levy increase this year. He stated that next year, the budgeted amount for the health centers will be \$4.2 million and will be divided among all five of the health centers. Chair Bowes asked what the breakdown amounts are for the health centers in Marion County. Mr. Dunbar stated that Adult and Child's budget is \$33 million which includes two counties, Johnson and Marion County. Ms. Payne stated that Midtown will spend \$38 million and Mr. Crouse stated that Gallahue will spend about \$42 million, and \$30 million of that is for Marion County.

Mr. Clifford provided the total distribution of the health centers and they were as follows:

- Midtown - \$1,258,000
- Gallahue - \$ 1,142,000
- BehaviorCorp - \$ 848,000
- Adult and Child - \$ 655,000
- Universal Behavioral - \$ 122,000

Chair Bowes asked if a representative from the remaining two health centers will be present to discuss their budget. Mr. Dunbar stated that Larry Birch, Director, BehaviorCorp could not attend the meeting but provided a packet of information for the committee to review. Mr. Clifford stated that the distribution of the funds for the amount that is set aside and how distributed for the mental health centers are all done under state statute.

Marion County Department of Child Services (DCS)

Dan Carmin, Director

Honorable Marilyn Moores, Juvenile Judge

Judge Moores distributed a packet with information on the budget and services provided by DCS. Judge Moores went through a list of topics to explain the funds needed regarding the DCS budget. Some of those topics were as follows:

- Population by County for youth under 18 in Marion County is 100,000 more than the next closest County, which is Lake County
- Percentage of Individual County Budget spent on Counseling, Home Based Services, Preservation, Assessments, and Community Based Care for Marion County is larger than any of the other counties at 74% of the budget
- Of the 2,964 kids that have been CHINS in Marion County, 814 of them have been placed with relatives.

Chair Bowes asked if Judge Moores could explain the process of CHINS. Judge Moores stated that CHINS stands for Children In Need of Services. It is a chapter of the juvenile code where there is probable cause to believe that there is abuse or neglect of a child by the child's parent or guardian. If the impairment level is such that the court determines that child can be removed from the home, then the child is placed in foster care, therapeutic foster care, institutional care, or relative care while the system works to reunify the family through services.

Councillor Sanders asked what figures were used to determine the total cost per child. Mr. Carmin stated that the total budget request of \$97,918,000 is divided by the total number of CHINS and Juvenile detention cases (JD).

Judge Moores continued with the presentation stating that 26% of the total budget request goes for institutional costs. It means that services are more home-based and focused on the least-restrictive placement. Councillor Sanders asked if in the institutional costs, the line items that were actually used include just the institution's line item. Mr. Carmin answered in the affirmative stating that it would only be the line item, Care of Ward in Institutions. Councillor Sanders asked if Miscellaneous Costs of Wards would not be included in that line item. Mr. Carmin answered in the negative stating that Miscellaneous Costs of Wards are necessities that the children may need.

Judge Moores stated that Marion County's budget request is around \$1 million less than a county that is far less populous. Chair Bowes asked if Marion County is serving a lot more children. Judge Moores answered in the affirmative stating that Marion County is 25% of the state's business.

Mr. Clifford asked how many children are in the Department of Corrections (DOC). Judge Moores stated that she does not have the exact numbers but roughly, it may be around 200. Mr. Clifford asked if the adjusted numbers from 2005 – 2006 will be higher because of the number of children sent to DOC. Judge Moores answered in the negative stating that it might be reflected in expenditures through Family and Children's budget but not through CHINS or informal adjustments.

Chair Bowes asked what the procedure is for a child being brought into the system, and whether there is an opportunity for a child who is brought in as a delinquent to be evaluated for possible treatment as a child in need of services, and vice versa. Judge Moores stated that there are a number of fail safes in both situations. She said in a delinquent setting, a child is brought to detention with an allegation, and the child is

interviewed by the probation department. The probation department makes a recommendation whether charges should be filed or not. She said that in many cases there will be a disposition where a charge was never filed and it became a parental conference (PC). Judge Moores stated that if Receiving, Screening and Release (RSR) recommends that the charge be filed, the case is then reviewed by the prosecutor. If the prosecutor decides to pursue charges, that office files a petition but must be granted leave by the court to file that petition. She stated that there have been cases where the court has declined to file charges. Judge Moores stated that when the court declines to file charges, then DCS is contacted for them to start an investigation.

Mr. Carmin discussed the presentation regarding the placement of CHINS and JD cases. He stated that in 2004 there were 215 CHINS in residential care, in 2005 the number was reduced to 197, and in 2006 there were only 174 cases. He stated that these are the high dollar placements and they range anywhere from \$150 to \$350 per day. Mr. Carmin stated that this is an impact on the budget that is believed to be critical that DCS try and minimize that cost.

Mr. Carmin stated that the federal reimbursements have increased significantly since 2000. Mr. Carmin stated that DCS was anticipating \$18 million in federal reimbursements and as of July 2006, DCS has already had \$20,367,040 in reimbursements and are way ahead of what was projected. He said that amount includes an \$8.2 million in retro reimbursements and cannot anticipate that retro payment will come every year.

Councillor Sanders asked if the team assessment gets triggered when a child gets picked up and sent to Youth Emergency Services (YES). Mr. Carmin stated that process could happen at any time. DCS thinks that up front is the most effective way.

Councillor Sanders asked if the trend of reimbursements will continue at this level through the end of the year. Mr. Carmin answered in the affirmative. Councillor Sanders stated that basically this is more of a reflection of how things should have been over the last couple of years. Judge Moores answered in the affirmative stating that with the exception of the \$8 million dollars, that is included. Councillor Sanders stated that a considerable amount of money was borrowed, and asked if these increased reimbursements will lessen the \$32 to \$35 million that was borrowed. Mr. Carmin stated that is actually accurate. Councillor Sanders stated that for the last couple of years, there has been a carryover of expenses at the end of the year, because DCS had no alternative, and she asked if DCS anticipates that same situation this year. Mr. Carmin answered in the negative stating that he believes that with the loan and the increased reimbursements, DCS will be able to take care of all obligations in the current year and not have a carryover.

Mr. Brown asked if DCS will need appropriations to make up for the \$6 million that was carried over from last year, and if it is included in those numbers. Mr. Carmin answered in the affirmative.

Councillor Cain stated that she wanted to thank Mr. Carmin for the initiative for helping the families rebuild their lives.

Mr. Clifford discussed two handouts distributed by DCS. He stated that the DCS budget is a total of \$97.9 million and of that are asked to levy \$68.8 million. He stated that in Children's Psychiatric Residential Treatment Services the budget is a total of \$2.3 million, and we are asked to levy \$1.7 million and those are correct in the budget. He said with that respect, OFM will project the repayment of the loan for this year of \$35 million. Mr. Clifford stated that the amount that was borrowed in 2005 is being repaid this year so that amount will drop off after next year.

Mr. Clifford stated that as a part of the appropriations and the levy of taxes, will there be a debt service levy for juvenile incarceration of about \$19.4 million. He said that will be the second year of a three year levy that we have. He said that will be two-thirds of the way paid off.

Chair Bowes asked if the \$15 million that was borrowed in 2005 and the debt service for a little over \$32 million for this year are part of the \$97 million request. Mr. Clifford answered in the negative stating that the portion borrowed in 2005 will be repaid in 2006. He said that the portion that will be borrowed in 2006 will be repaid in its entirety in 2007.

Councillor Sanders stated that there has been under spending in the Children's Psychiatric line item and is curious where DCS stands. Mr. Carmin stated that it has caught on. He said that fund is Medicaid matched, so that these children that are in residential care, Medicaid is paying over 60% of the cost of that care. He said that if these children were not in this program, DCS will be responsible for paying that costs out of the Family and Children budget. Councillor Sanders asked if Mr. Carmin anticipates spending the entire balance this year. Mr. Carmin answered in the affirmative.

Chair Bowes asked if the \$8.2 million in retro reimbursements are going to be used toward the 2006 debt service. Mr. Carmin stated that it will be applied to the 2006 appropriations to fund, for example, Wards in Institutions. Chair Bowes asked if that is the reason there is no need to borrow as much of the \$35 million. Mr. Carmin answered in the affirmative. Mr. Clifford stated that he is not sure if there needs to be another appropriation, the funds that will come in will be treated as reimbursement to the expenses to the DCS funds and then free up appropriations.

Chair Bowes asked how many additional newly-trained case managers have actually translated into an increase in Marion County. Mr. Carmin stated that there has been an additional 60 family case managers within DCS, and DCS is anticipating an additional 70 next year to have the caseloads down.

Chair Bowes asked for the reason in the jump from \$93 to \$97 million for 2007. Mr. Carmin stated that the foster care per diem rate increased from \$22 to \$25 per day. He said that there was an increase to the residential facilities. Rick Rumble, Budget Manager, DCS stated that one of the other increases was adoption assistance.

{Clerk's Note: Councillor Cain left at 7:06 pm}

Councillor Sanders pointed out that there was no public participation this year regarding the child welfare budget. She said that she struggles with that because of the kind of responses that the Councillors receive from the public on how and what should be funded for DCS.

{Clerk's Note: Councillor Sanders left at 7:09pm}

Chair Bowes wanted to thank Mr. Carmin and DCS because the agency is taking things seriously and is working on several things to manage those concerns this committee has, which is how to find the best care for our children in the most efficient way that just does not trash the budget and the ability to predict our own finances as a community. Chair Bowes stated that the complaint is that this is a local government taxing authority and are in a system where the State says, they are going to hire the case managers, train and supervise them, and that the State is going to decide how much it is going to cost. Chair Bowes stated that the local body that is writing the checks should have control over those decisions.

Chair Bowes thanked Mr. Carmin and Judge Moores for the work they have been doing to bring our child welfare budget under control, and to find new solutions to providing the best care to our children. He said that, in spite of the progress shown this year, he still must register a complaint about how this system is set up. The state hires and supervises the case managers, the state decides where to place the children, and monitors how long they will stay in that placement. The state is in complete control of how to spend the money, and how much is spent, but the local government must pay for it. He said if the state government is not directly accountable for how much is spent; it has no incentive to make certain we pay only as much as we need for the most efficient system that protects our children. He said this system does not work, because the state has no incentive to look for other alternatives, such as investing in education and more prevention programs to eliminate the need for so children to be placed outside the home.

{Clerk's Note: Exhibits A, B, C, D and E are on file in the Clerk's office}

With no further business pending, and upon motion duly made, the Community Affairs Committee of the City County Council was adjourned at 7:13 p.m.

Respectfully submitted,

Greg Bowes, Chair
Community Affairs Committee

GB/lw